

# Policy: Purchase

**PL No. – 49**

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**Applicability – All Employees on Company Roll**

**Total Number of Pages – 4**

This policy is applicable on purchases which are already being done in routine, now the routine can be daily, weekly, monthly, quarterly or annually but that means the purchases which are supposed to happen on a set frequency for the Business to run smoothly.

In such purchases the following will steps needs to be done fully. If you purchase anything after issuance of this policy, it will be considered that you did follow the purchase mechanism as laid out in this policy. Hence any violations will be treated accordingly.

- 1- When making any purchases, always negotiate the price to be lesser or equal as the last time.
- 2- Purchases which are fixed should not be done daily/weekly. Such purchases should gradually move to a monthly period. Monthly purchase will save work for many employees and also it will improve your negotiation as you will be negotiating on Monthly volumes.
- 3- Purchases which are fixed, plan their approval in advance so you do not have to do the purchase in last minute, as advance planning can lead to better negotiation and better quality.
- 4- Always see that the quotation/agreement we did in past are valid? Or if the prices of any item have reduced as the product is Market dependent?
- 5- Always take sufficient number of quotation before seeking final approval for purchase, now the sufficient number can be 3 or even 10. Number of quotation depends upon you being satisfied if the quoted price makes senses to you.
- 6- Whenever negotiating with vendors always sell them the benefit of associating with us, tell them clearly that they can be associated with us for a long time but it all depends their prices and quality only.
- 7- If you are authorized for a certain purchase, never final a vendor on the basis of his relationship with you but only on the basis of quality he will provide in his products and services.



- 8- When purchasing something, you should always ask yourself following :
- A) Do you need it now only? Can it be delayed without affecting anything negatively?
  - B) If it can be delayed, you actually may not need it.
  - C) Do you need it in the quantities mentioned or less?
  - D) Do you have any other alternate rather doing the purchase? If yes, explore that first.
  - E) Are you satisfied with the prices/quotations yourself?
  - F) What if you were asked about this purchase by your junior, would you allow it?
- 9- When you have clear answer to these questions, answer which is based on the data and personal observation and not because you wish to buy something. You are ready for putting the purchase for approval.
- 10- In brief if you are doing a purchase for the company. It is expected of you that you will do the necessary only and will do it in the same manner as you would do a purchase for your own self. Which means doing the purchase only after fully being satisfied and also getting the best of your money you are spending.
- 11- Attached is the list of approving authority for each type of purchase. If there is something which is not covered under this list, such approvals will be done by Management only.
- 12- All approvals which are under the authority of management will be subjected to below guidelines:-
- a. All paddy, rice, foreign tours and travels, legal bills of all locations will be approved by Top Management only.
  - b. All first time purchases (except petty purchases) will be approved by Top Management only for all locations.
  - c. All byproducts and scraps sales will only be approved by Top Management only (for all locations).
  - d. TA/DA approval of Accounts Head & HR Head will be done by Top Management.
  - e. All other Management related approvals will be done:-
    - i. For ASR- ASR Management
    - ii. For BHL+GDM- Top Management

*Ok Approved*

Written By  
Head- HR



*Approved*

Approved By  
Management

Approvals	Authority
Staff Salaries & Benefits (ESI+PF & Bonus)	Accounts Head
All Fuel Purchase (For Vehicles, Generators etc.)	Accounts Head
TA/DA of HODs	Accounts Head + HR Head Joint Approval
Courier Expenses	Concern HODs
Certifications/Audits	Concern HODs
Sale Orders	Concern HODs
Packaging Material Artwork & PO	Concern HODs
Export Logistics (Containers, Freights, CHAs)	Export 1 Head
TA/DA Juniors	Concern HODs
Fairs & Exhibitions	Concern HODs + Top Management
Renewals of Insurances	HR Head
Pantry, Petty Expenses, General Stationary, Puja	HR Head
All Staff Loans & Advances	HR Head
Security Bills	HR Head
Manpower Enhancement- ASR	HR Head + Concern HOD Joint Approval + ASR Management
Manpower Enhancement- BHL+GDM	HR Head + Concern HOD Joint Approval +Top Management
IT related Purchases (New & Maintenance)- ASR	ASR Management
IT related Purchases (New & Maintenance)- BHL+GDM	Top Management
Plant Related Purchase/Maintenance- ASR	ASR Management
Plant Related Purchase/Maintenance- BHL+GDM	Top Management
Paddy Purchase, Rice Purchase, Professional Bills, Legal Bills, All foreign tours & travel plans	Top Management
Gifts/Donations	Top Management
Accounts Head + HR TA/DA Approval	Top Management
All First Time Purchases (Except petty purchases)	Top Management
All Scrap & By-products Sale	Top Management
Staff appraisals- ASR	ASR Management
Staff appraisals- BHL+GDM	Top Management
Labor Bills (Fixed, Temporary, Daily Wages)	Warehousing Head
Bardana Purchase/Sales	Warehousing Head + Quality Head Joint Approval
Truck Freights (Domestic Division & Purchase Division)	As per Freights Policy
All Vehicle Insurances, Maintenance	IT Head
All others	HR Head + Accounts Head
Fumigation, Outsourced Testing, Lab	Quality Head



Equipment Calibration Bills	
Plant Petty Routine Repair Expenses	Local Plant Head
Godown Rent	Top Management
Domestic Division Advance Freight	Local Warehousing Head
Domestic Modern Trade Freight	Domestic Division Head
TDS/GST/Advance Tax/Income Tax/Statutory Payments	Legal Head
Electricity Bills	Top Management

*ok approved*

Written By

Head- HR



*Approved*

Approved By

Management